

ISSUE #1

Section 1: [Article IX, Section 9.4] Enforcement, Fines, and Suspension of Privileges

MARKUP #1 ->

In the event of a violation of these Covenants, the Bylaws, or the Design Guidelines by any Owner or his contractor, agent, or tenant, the Board of Directors or the Architectural Review Committee may impose a monetary fine of up to \$250.00 per day for each day the violation continues following five (5) days' written notice to the Owner, and may immediately suspend the Owner's voting rights and right to use Common Areas until such violation is cured and all fines are paid in full.

Section 2: [Article VII, Section 7.8] Signs, Flags, and Exterior Displays

No signs, banners, flags, pennants, or political placards of any kind shall be erected or displayed on any Lot or structure within the Properties, except for standardized property identification markers approved by the Architectural Review Committee and temporary building permits required during active construction.

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE

BOARD & COUNSEL REVIEW

Sec. Article IX, Section 9.4 (p. 1): Clause authorizes fines exceeding North Carolina's statutory \$100 per violation / \$100 per day cap under N.C. Gen. Stat. § 47F-3-107.1.

Statutory / Legal Reference: N.C. Gen. Stat. § 47F-3-107.1
Statutory Comparison: Under N.C. Gen. Stat. § 47F-3-107.1, a lot or unit owner may not be fined or have planned community/condominium privileges or services suspended unless the owner is given notice of the charge, an opportunity to be heard and to present evidence, and notice of the decision before an adjudicatory panel appointed by the executive board (whose members must contain no officers, directors, or their immediate family members) or before the executive board itself. If a violation is found, the fine may not exceed one hundred dollars (\$100.00) for the violation, plus up to one hundred dollars (\$100.00) per day for any continuing violation occurring more than five (5) days after the decision is communicated to the owner.

CURRENT WORDING IN DOCUMENT:
[Article IX, Section 9.4] Enforcement, Fines, and Suspension of Privileges - In the event of a violation of these Covenants, the Bylaws, or the Design Guidelines by any Owner or his contractor, agent, or tenant, the Board of Directors or the Architectural Review Committee may impose a monetary fine of up to \$250.00 per day for each day the violation continues following five (5) days' written notice to the Owner, and may immediately suspend the Owner's voting rights and right to use Common Areas until such violation is cured and all fines are paid in full.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):
Pursuant to N.C. Gen. Stat. § 47F-3-107.1, no fine or suspension of community privileges or services shall be imposed until the owner has been given written notice of the alleged violation and an opportunity to be heard and present evidence before the Executive Board or an adjudicatory panel composed of members who are neither officers nor directors of the Association. Any fine imposed shall not exceed One Hundred Dollars (\$100.00) for a single violation, and for a continuing violation may not exceed One Hundred Dollars (\$100.00) per day beginning more than five (5) days after the decision is communicated that the violation occurs. The owner may appeal an adjudicatory panel decision to the full Executive Board within fifteen (15) days.